



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: AAA Engineering & Drafting, Inc.

File: B-237383

Date: January 22, 1990

DIGEST

An agency may restrict a procurement to offerors within a specified geographical area if the restriction is reasonably necessary for the agency to meet its minimum needs. Fact that the protester performed the same services under prior contract from a location substantially outside of the specified area does not in itself mean the restriction is unreasonable where the record provides no reason to question the agency's view that its 3-year experience with the incumbent has shown that frequent face-to-face interchange between the parties is essential to meet its minimum needs.

DECISION

AAA Engineering & Drafting, Inc., protests the inclusion of a geographical restriction in request for proposals (RFP) No. F41608-89-R-4192, issued by the San Antonio Air Logistics Center (SA-ALC), Kelly Air Force Base, Texas, for services need to update, store and distribute technical manuals. The restriction is that the place of performance and storage for services furnished under the contract must be within a 35-mile radius of Kelly. AAA is the incumbent contractor, having performed the services for the last 3 years. The only difference between AAA's contract and the protested solicitation is the geographical restriction.

We deny the protest.

The RFP's statement of work, in setting out the 35-mile requirement, states that the nature of the services involved requires frequent visits by Kelly personnel to the contractor's facility, as well as frequent Air Force/contractor liaison at SA-ALC. In responding to AAA's protest, the Air Force explains that the contract work often requires face-to-face discussions between the contractor's technical writers and Kelly engineers,

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equipment specialists, and technical order managers. The Air Force states that while the protester has performed satisfactorily under the current contract, its location has precluded rapid communication; according to the agency, consequent delays in the review and correction cycle have created unacceptable delays in distributing the product or have led to degraded quality when urgency required distribution before the correction or errors. The Air Force maintains that its needs can only be met if its technical personnel can visit the contractor's facility regularly during normal business hours.

The agency states that five firms in the specified area have indicated they will respond to the solicitation, and another has said it is willing to establish a San Antonio office if awarded the contract.

AAA complains that the geographical restriction places the firm at a competitive disadvantage because of the cost of establishing and staffing a local (Kelly) office. The protester argues that if, as the Air Force concedes, AAA has been able to perform the services from Midwest City (hundreds of miles from Kelly) satisfactorily for the last 3 years without direct interface between its technical writers and the Air Force requisitioners, it will be able to perform them satisfactorily in the future under the same conditions. AAA contends that if contract requirements have changed so that constant government/contractor interchange now is integral to satisfactory performance, or if the Air Force wants a higher quality performance standard than in AAA's contract, the proper approach is to change the specifications to describe what the government really wants, not to limit competition arbitrarily.

We see no legal basis to object to the RFP's geographical restriction. An agency may restrict a procurement to offerors within a specified geographical area if the restriction is reasonably necessary for the agency to meet its minimum needs. Treadway Inn, B-221559, Mar. 10, 1986, 86-1 CPD ¶ 236. The determination of the proper scope of a geographical restriction is a matter of the contracting agency's judgment and discretion, involving consideration of the services being procured, past experience, market conditions and other factors, including the adequacy of competition. See Malco Plastics, B-219886, Dec. 23, 1985, 85-2 CPD ¶ 701.

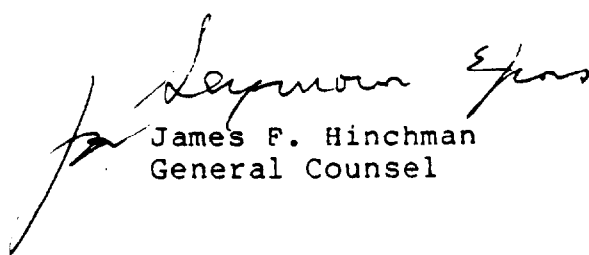
Here, AAA's satisfactory prior performance must be viewed in the context of its contract requirements, that is, AAA's performance substantially met that contract's specifications. That factor, however, does not preclude

the government from learning from experience that its requirements need to be stated somewhat differently or in more detail to ensure its needs properly are met.

See Descomp Inc., 53 Comp. Gen. 522, 528-30 (1974), 74-1 CPD ¶ 44.

The Air Force, in recognizing that AAA met its contractual obligations while at the same time defending the 35-mile restriction, essentially is conceding that the problems it encountered resulted from the agency's own failure to insure, by contract, a closer working relationship between Kelly technical personnel and the contractor's technical writers. The agency is now attempting to do so with the 35-mile restriction. AAA offers no rebuttal to the Air Force's recitation of the noted problems, the legitimacy of the agency's concerns about past delays and quality, or the Air Force's assessment of the degree of competition it expects to generate notwithstanding the restriction.

In sum, the fact that AAA performed the contract for the 3 years preceding this procurement does not in itself establish that the 35-mile restriction is not necessary to meet the Air Force's current minimum needs. The protest therefore is denied.


James F. Hinchman
General Counsel